

National Home Center News

Vol. 12, No. 12 \$2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. June 2, 1986

Kossar to gain remaining Grace home centers

By Milford Prewitt
NHCN staff editor

NEW YORK — Bernard Kossar, senior vp of marketing for W.R. Grace, has signed a letter of intent to buy the company's remaining home center network in a move that apparently kills the attempt by Harold Geneen and his two financier partners to buy the home improvement stores.

Letter of intent shuts out Geneen group

sources reported.

Several sources who asked to remain unnamed confirmed that Kossar has ostensibly acquired the financial backing to buy Grace's Central Region and Channel home centers.

Kossar would acquire a

sprawling 199-unit empire that stretches along the Eastern Seaboard and includes Texas as well as several southern states. Along with Channel, other chains include Handy Dan, Handy City and Home Quarters Warehouse.

"At this point in time, it's safe to say that he's going to get everything Wickes' didn't," one close observer of the negotiations said.

Wickes Cos. signed an agreement with Grace on May 5 to purchase the conglomer-

ate's 108 Western home centers for \$180 million.

How much Kossar will pay for the remaining Grace home centers and the nature of his financing remain unknown.

Grace officials declined to comment on the status of negotiations involving the rest of the retail group, which consists of 376 specialty stores (Continued on page 62)

Home center operators hail Senate tax plan

By Phillip M. Perry
NHCN staff editor

NATIONAL REPORT — Citing the promise of substantially lower corporate income tax rates, many home center operators hailed the simplified tax plan proposed last month by the Senate Finance Committee.

"The effective tax rate for retailers in the home center business is going to drop," said Doug Southern, vp of finance for Pay 'N Pak, the \$333 million home center chain based in Kent, Wash.

(Continued on page 61)

New Grossman's accents fashion displays

By John Caulfield
NHCN staff editor

BRIGHTON, N.Y. — Grossman's has opened a new prototype store here outside of Rochester, N.Y., that is unlike any store it operates, and represents an attempt by the Braintree, Mass.-based chain to position itself on a par with the leading retailers in the home improvement business in terms of merchandising presentation.

The unit accentuates Grossman's new emphasis on fashion to complement its traditional strengths in commodities, by setting up a series of stylish "specialty" home improvement departments throughout the store. In addition, Grossman's is shifting away from engaging in the price wars being waged throughout the industry, and this new format will (Continued on page 62)



Grossman's new prototype, unveiled last month in Rochester, N.Y., emphasizes fashion in an open store plan that uses warehouse racking selectively. NHCN photo

Coast to Coast taken private for \$50 million

By an NHCN staff editor

MINNETONKA, Minn. — Coast to Coast, the industry's largest franchised wholesaler, has been taken private by a group of institutional and individual investors for a price estimated by trade sources to be \$50 million.



Ralph Dillon

The company—with 1,023 dealer franchises and 1985 sales that were restated last month by company officials at \$330 million—was purchased from HMI Holdings, formerly Household Merchandising, which itself had been purchased recently from Household International.

Drexel Burnham Lambert, the New York-based investment firm, will own 10% of the company, and is expected to (Continued on page 61)

B and B debuts third generation, 60,000-ft. warehouse prototype

By Gary S. Ruderman
NHCN staff editor

ST. LOUIS — The third generation of B and B Home Supply stores debuted in suburban Arnold, Mo., last month, 20 miles south of St. Louis.

The 60,000-sq.-ft. prototype warehouse features a broader selection and higher-end price points, especially in plumbing. Also, for the first time B and B is dedicating space chainwide to lawn and garden by eliminating roll carpeting in all but one store.

Eclipse Industries, B and B's parent, plans to open a second, 60,000-sq.-ft. warehouse this year in the St. Louis market.

Although he would not elaborate further about near-term expansion plans, Eclipse president Steve Feinstein said, "I'd say in the (Continued on page 61)



Steve Feinstein (right), president of B and B Home Supply, with merchandising vp Bruce Feinstein, his son, at the grand opening of the company's new prototype. NHCN photo

INSIDE

Perspectives: Dealers are striking back against increasingly brazen shoplifters and dishonest employees with a variety of new security measures. 21

Merchandising: High-end bath merchandising extends into home center accessory lines. 41



Ad & Marketing: Stanley Works helps "Build a Dream" with new playground program. 49

Starting this issue: To make room for expanded news coverage, "Business Watch," has moved from page 4 to 12. Financial news appears in the back of the issue.



NEWSBREAKS

McCORMICK UPPER FLOOR A 'GO': National Hardware Show organizers have declared the upper floor of the McCormick Place expansion will be ready in time for exhibitors at the August show. Back-up air-conditioning and electrical feeds have been secured in the "unlikely event" they're needed.

NEW WESTLAKE UNITS: Westlake Hardware will have 35 stores when it opens an 18,000-sq.-ft. store in Bethany, Okla., and a 25,000-sq.-ft. store in Lee's Summit, Mo., this summer.

INDUSTRY UPDATE

Evans creditors vote on plans

MIAMI BEACH — Two plans for reorganizing Evans Products Company have been submitted separately by the company and their bank lenders to Evans' creditor groups for a vote.

Vendors, suppliers, equity holders and other creditors will vote on which plan they prefer. The balloting time concludes on June 10, and there is a tentative June 20 confirmation hearing on this voting scheduled in U.S. Bankruptcy Court in Miami, on June 20.

Sutherland hires EDP manager

KANSAS CITY, Mo. — Sutherland Lumber Company, the 85-unit chain based here, has hired a new data processing manager and is developing a new computer system. Some 15 to 20 stores are currently going up on perpetual inventory.

According to Bill Bryan, the new EDP manager, the company is in the process of rolling out the new system. Craig Sutherland, an executive with the company, confirmed that a new system is being developed for the chain's stores, but declined to comment further.

Builders Sq. adds 2 in Chicago

CHICAGO — Builders Square added two 80,000 sq. ft. stores here last month in Homewood and Melrose Park, south and western suburbs, respectively. The opening of a store in nearby Bloomingdale is being delayed because of zoning problems. Builder Square currently has seven stores in the Chicago market.

The company has tentatively set a fall grand opening for its first warehouse unit in Portland, Ore.—a retrofit of an existing K mart outlet—and plans to open a build-to-suit in the Portland market next year. At the end of May the company operated 43 stores.

Stambaugh to renovate units

ZANESVILLE, Ohio — Stambaugh-Thompson held a grand reopening last month for the renovation of its largest store to date, a 45,000-sq.-ft. unit in this town 40 miles east of Columbus, Ohio. The company said the renovation of its stores, intended to increase their sales volume substantially, was about a third completed. The project is a two-year-long effort by the \$61 million company to upgrade all 20 of its stores. (NHCN, Nov. 5, 1984.) The renovation was accomplished while the store remained open. Departments either enlarged or modernized in the retrofit included kitchen and bath, nursery, and lighting.

Mr. Goodbuys goes to Wash.

PHILADELPHIA — Mr. Goodbuys is going to Washington. The nine-unit chain is currently negotiating for four sites in the Washington D.C. market, two in Virginia and two in Maryland. The sites, a combination of build-to-suit and second-use locations, will be the first of seven Mr. Goodbuys stores slated for Washington D.C. by 1988 according to Stephen Erlbaum, chairman.

Mr. Goodbuys currently operates units in Philadelphia, Baltimore and northern New Jersey, and has secured five sites in Long Island, N.Y. The chain hopes to expand to 20 stores in these markets by 1987, with 30 projected by 1988, which would include sites further west including the Pittsburgh market.

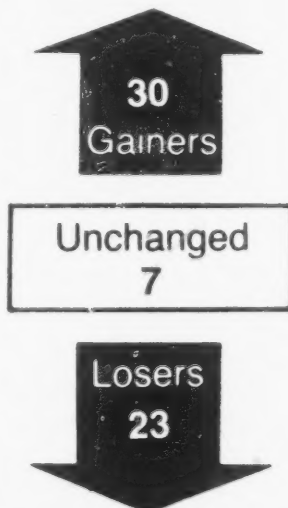
Retailers outperform mfgs.

NEW YORK — Home center retail stocks outperformed manufacturers' issues during the two-weeks ended May 16. Of the 56 public companies tracked in NHCN's Market Summary, 30 recorded price gains while 23 showed declines.

The winners had a decidedly "National" flavor, as California's National Lumber, with an 18.2% price rise, and New England's National Hardgoods, a 14.3% gain, led the retailers.

Building material suppliers led the losers: Manville and Champion were down 7.7%; Weyerhaeuser, off 6.9%; S.W. Forest, down 5.9%; O-C off 5.5%, and G-P down 5.4%.

See financial tables, page 60

**Ace Hardware dealers allowed to select aspects of Store of the Future program**

By Donald Longo
NHCN staff editor

DALLAS — In the midst of what company officials hailed as the single most successful show in the history of the \$1 billion buying cooperative, Ace Hardware Corporation unveiled a new modular approach to its highly successful Store of the Future program that enables its dealers to adopt parts of the program rather than the complete design package.

Ace's Spring Convention here last month was described by both dealers and vendors as the biggest and busiest show conducted by the 61-year-old company, which also announced enhancements to several existing merchandising and support programs, including:

- A deeper commitment to lumber and building materials;
- Expansion of the co-op's paint manufacturing program;
- A new effort to help dealers take advantage of opportunities to sell commercial customers;
- Extension of imports and private label (which registered a 17% increase in sales last year) product offerings; and,
- Further strengthening its dealers' competitive position with services like the Ace private label credit card, participation in Sears' Discover card program, and the Ace Videogram training system.

The optimism of most dealers, who helped Ace break the billion dollar sales barrier in 1986, was reflected in the comments of Bill Gibbs, vp at Bryan's Ace Hardware with stores in Keystone and Starke, Fla. "Business has

been tremendous, especially lawn and garden sales," said Gibbs, whose experience was echoed by many of the Ace dealers at the May 16 to 18 convention.

According to Dave Hodnik, finance vp, Ace's 8.9% increase in sales to dealers compared favorably to the 2.2% increase in the Gross National Product, the 4% increase recorded by the entire hardware industry and the 3% increase registered by Ace's closest competitor—Cotter & Co., the Chicago co-op which still leads all buying groups with \$1.7 billion in 1986 sales.

Hodnik said that even though sales through April of this year are only up 3.3% due to a sluggish retail economy and poor weather, Ace is projected a 9.3% sales increase this year.

Speaking to dealers gathered at a breakfast meeting on May 17, Ace's chairman Ted Costoff quoted from a report conducted by the National Retail Hardware Association (NRHA) that indicated 90% of all hardware stores need to be modernized and reformatted.

Bill Loftus, vp for sales,

marketing and sales development, said that the new format stores have been proven to generate much greater productivity, higher sales per square foot, more traffic and a better price/value image.

Sixty-four dealers have converted to Ace's Store of the Future over the program's first 18 months.

Most dealers interviewed by NHCN expressed glee over being able to pick and choose individual aspects of the program.

However, executives at the NRHA, which designed Ace's prototype, said they feel a dealer would have to implement the complete Store of the Future program in order to experience the full advantages of the program.

Ace president Larry Gavin told NHCN that programs like the Store of the Future will help the co-op add some 200 new members this year. That's an aggressive undertaking considering Ace's total of dealer stores increased by only 70 last year to a total of 4,710 units. But, Gavin noted that the 48 dealer prospects, (Continued on page 57)



Ace's Spring Convention unveiled a new modular approach to its Store of the Future program that enables its dealers to select part of the program rather than the complete package. NHCN photo

Scotty's expansion program in phase 2

By an NHCN staff editor

NEW YORK — The second phase of Scotty's store expansion program calls for the construction of 17 new full-line home centers, including eight which will replace existing stores, the retrofitting of 10 other existing stores to Scotty's new format, plus the opening of as many as 15 new Scotty's Hardware units.

The plans, unveiled to securities analysts and institution-

al investors here and in Boston on May 14 and 15, will result in a net gain of nine new full-line home centers for a total of 50 new format stores, and the addition of 15 new hardware units for a total of 32 by the end of Scotty's next fiscal year in June 1987. The company previously announced goal was to have as many as 75 hardware outlets by 1990.

Dennis Stults, president of the Winter Haven, Fla.-based

chain that operates all but one of its 128 stores in Florida, told analysts, "Our primary thrust will be in Florida but we have definite plans to expand beyond the state border" (NHCN Dec. 16, 1985).

Stults added that Scotty's has grown by about 13% in net new square footage this fiscal year, ending in June, and will probably exceed that 13% growth rate next year. His- (Continued on page 62)

Cancer risk info to appear on paint stripper labels

By Gary E. Ruderman
NHCN staff editor

NATIONAL REPORT — Federal regulators, consumer groups and manufacturers agreed last month on new labeling advising consumers of the cancer risks of methylene chloride, a chemical often used in paint strippers.

Within the next year, consumers will see the large words "Cancer Information" on the back labels of paint stripper and aerosol cans containing the chemical. In addition, users will be warned the product "contains methylene chloride which has caused cancer in certain laboratory ani-

mals." A following paragraph warns that the "risk to your health depends on level and duration of exposure."

The voluntary label warnings follows three months of meetings by the Consumer Product Safety Commission's (CPSC) methylene chloride (Continued on page 62)

INDEX

Advertising Index	57	Home Center Market Summary	60
Advertising and Marketing	46	Housing Watch	14
Between the Aisles	39	Lumber Futures	16
Business Watch	12	Lumber Report	16
Calendar	50-52	Merchandising	41
Editorial	10	Perspectives	21
Financial News	12-13	Washington View	10
Introducing "Behind the Numbers" by Senior Editor Phillip M. Perry	59		

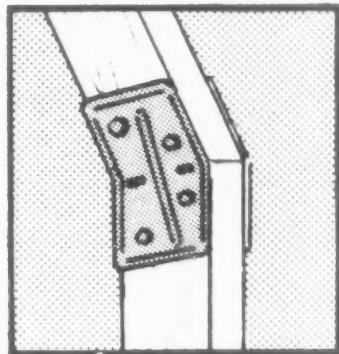
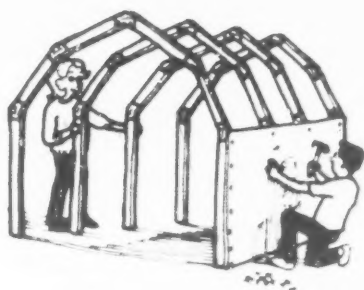
If you spot home center industry news,
call the NHCN NEWS HOTLINE:

1-800-NHC-NEWS

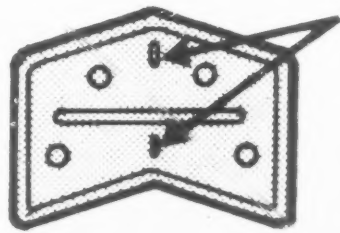
(1-800-642-6397)

Available throughout the U.S., except New York State and Alaska: 212-371-9400, 9-5:30 (E.S.T.)

Selling Barn Sheds Has Never Been So Easy!



Using TECO Barn-Framers, your customers can construct any length shed 8' or 10' wide. TECO plates and your lumber combine to make individual frames that are spaced according to the plan provided.



Built in special slots become the template to mark the only angle cut needed!

TECO packaging, merchandising, and detailed plans help start and close the sale.



5530 Wisconsin Ave.
Chevy Chase, MD 20815
800-638-8989

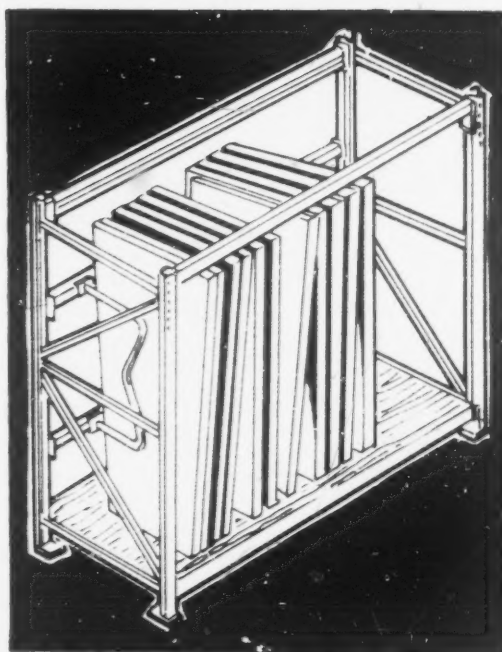
SOME PEOPLE THINK QUALITY IS QUALITY.

To find out why our hardware lasts longer, call John Cooper (203) 225-5111.

STANLEY
HARDWARE

OPEN DOORS TO PROFITS WITH THIS DOOR Merchandiser

By far the best way to stock and display all types of doors.



OTHER STORE FIXTURES AVAILABLE TO DISPLAY ALL TYPES OF BUILDING MATERIALS!

- HALF A-FRAMES
- FULL A-FRAMES
- WALL RACKS
- DOOR RACKS
- PANEL RACKS
- SHEET GOODS RACKS
- WAREHOUSE RACKS
- MEZZANINES



NATIONAL STORE FIXTURES, INC.
P.O. BOX 1811, SILVER SPRING, MD. 20902
800-638-7941
In Maryland (301) 946-8860

Top manufacturer TV advertisers for 1985

Leading home center suppliers in TV ad expenditures (in millions)

	1985			1984			
	Paint/Coverings	Network	TV spot	Total spot	Network	TV spot	Total spot
Sears (retail)	\$ 9.8	\$1.2	\$11.0	\$ 4.7	\$0.4	\$ 5.1	+ 115.0
Standard Brands (retail)	—	6.9	6.9	—	4.3	4.3	+ 60.0
Glidden	1.9	3.2	5.1	2.4	3.1	5.6	- 8.0
Sherwin Williams (including Dutch Boy)	3.6	0.4	4.0	2.0	0.3	2.3	+ 77.0
Procter & Gamble (Formsby, Thompson)	2.9	1.0	3.9	2.0	1.4	3.3	+ 16.0
Clorox (Lucite, Olympic)	3.0	0.8	3.4	3.3	2.2	5.5	- 39.0
Krylon	2.0	1.1	3.1	1.5	0.8	2.3	+ 38.0
PPG (Pittsburgh Paints)	1.8	0.6	2.3	2.5	0.9	3.4	- 32.0
Benjamin Moore (Sherwin Williams)	1.6	0.4	2.0	1.5	0.2	1.7	+ 15.0
Total			41.8			33.6	+ 24.3
Insulation, Roofing, Building Materials							
Owens Corning	12.2	0.3	12.5	13.7	0.7	14.4	- 13.0
Corian (DuPont)	3.3	0.3	3.6	—	2.4	2.4	+ 50.0
CertainTeed Insulation	1.7	0.3	2.0	2.0	0.3	2.3	- 16.0
3M Window	—	1.4	1.4	—	1.5	1.5	- 6.0
Total			19.5			20.7	- 5.7

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data

TV ad expenditures reported up 16.8% for home improvement manufacturers

By an NHCN staff editor

NATIONAL REPORT — Even though home center suppliers experienced slower sales growth and slimmer profits last year (see *NHCN*, May 19), total television advertising expenditures by 28 leading home improvement industry manufacturers were up 16.8% in 1985, to \$97.2 million, according to a special compilation of data conducted by the Television Bureau of Advertising (TvB) or *National Home Center News*.

General Electric spent more money advertising its bulbs and lighting products on television last year than any other home improvement manufacturer, while Owens-Corning, second in overall expenditures, led home center industry suppliers in national network TV spending in 1985.

GE spent \$13.2 million, an increase of 60% over the previous year's TV expenditure. Owens-Corning's total TV expenditure was \$12.5 million—with \$12.2 million of that total going into network TV rather than local spot advertising.

Other leading television advertisers were Black & Decker with \$11.1 million, Sears' private label paint at nearly \$11 million, and Wagner tools at \$9.7 million.

A breakdown of the major television advertisers by product category reveals that paint/coatings makers, tool manufacturers and wiring/lights suppliers, on average, invested more heavily in the video medium last year.

The nine leading paint/coatings advertisers raised their TV expenditures by 24.3% in 1985, according to the TvB data. Surprisingly, two retailers, pushing their private label product, topped the list of advertisers in this category.

Sears and Standard Brands together spent \$17,892,100 on television advertising of paint last year, more than the combined spending of four major home center paint suppliers—Glidden, Sherwin-Williams, Procter & Gamble (Formsby, Thompson) and Clorox (Lucite, Olympic). Such figures

suggest that Sears and Standard Brands present stiffer competition than many paint manufacturers might think.

The seven leading tool makers increased TV spending by nearly 43% last year. Black & Decker, despite a tough year profit-wise, raised its stake by 74%. Wagner, the second leading tool advertiser, was down 36%, but much of that decrease can be attributed to the previous year's push of the new power roller. Wagner was the total TV spending champ of 1984, mostly due to that new product rollout. Stanley showed why it has one of the best-known names in hand tools, with 1985 TV advertising hitting close to \$4 million, more than half a million dollars ahead of Sears' spending on its tool promotions.

Major wiring/lights manufacturers were led by GE and

Sylvania, which were up 60% and 73%, respectively.

Interestingly, the two categories of manufacturers that generally outperformed other vendors in earnings last year cut back on television ad expenditures.

TV spending by four leading insulation, roofing and building materials manufacturers slipped almost 6% in 1985. In contrast to decreases at Owens-Corning, CertainTeed and 3M, DuPont increased TV advertising for its Corian countertop product by 50% last year.

Masco, one of the fastest growing suppliers in the home center industry, set the tone in the plumbing category by cutting TV ad expenditures by one-third. The four top plumbing/sanitation manufacturers reduced TV ad spending last year by an average of 33.1%.

YOU'LL NEVER SELL PAINT AGAIN.

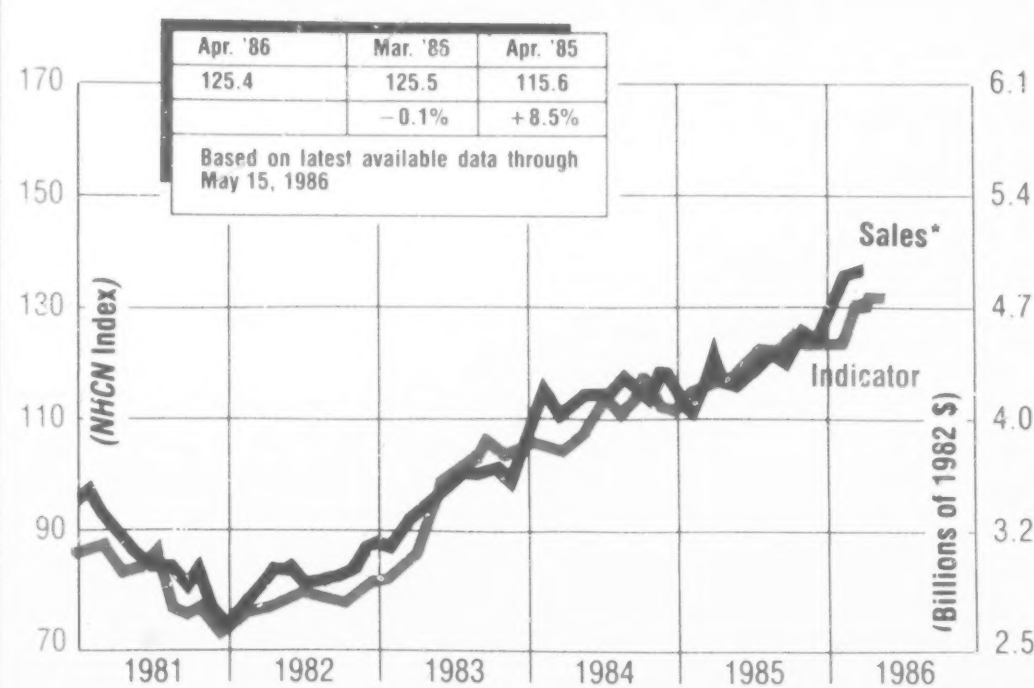
Not the way you used to.
Our new labeling and merchandising system is changing everything.
Find out more today.
Call 216-566-2816.



He Works Hard For Your Money.™

BUSINESS WATCH

NHCN Leading Sales Indicator



*—Monthly retail trade building materials and supplies in 1982 \$.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

Older, more affluent buyers hike building materials sales by 15%

By Richard E. Mount
Special to NHCN

The profile of today's average home buyer contributes significantly to increases in retail sales of building materials: 15% this year, 9% in 1987. Compared to 1979's average, today is older and earns more. Home expenses as a percent of income are down. The home that he buys is older on average, requiring more repairs.

Both 1979 and 1986 represent near-cyclical peaks for resales and starts. The comparison of the two is important for building material sales. During 1980 to 1982 building material sales fell sharply, but over the 1986 to 1987 period they



Richard E. Mount

will continue to rise.

Older buyers

Today's buyer is older. The median age of home buyers was 35.8 years in 1985, up

from 32.8 years in 1979. Over a six-year period, the median age was up three years.

As the postwar baby boom matures, the average age of the entire population increases. Marriages are being postponed too, which further increases the average home buyers age.

Older home buyers are more likely to undertake do-it-yourself projects. Their careers are more established, so they are less likely to move. Owners are more likely to upgrade permanent homes than temporary residences, and use more durable, higher-quality products. And, people are more likely to use home

(Continued on page 13)

Home Center Industry—General Business Outlook

	1985				1986				1984	1985	1986 ^p
	1Q	2Q	3Q	4Q	1Q ^p	2Q ^p	3Q ^p	4Q ^p			
NHCN Leading Sales Indicator (January 1980 = 100)	113.7	116.0	121.0	123.4	124.7	127.9	131.7	134.7	113.2	118.5	129.8

General Economic Outlook

GNP \$1982 Billion	3,547.8	3,557.4	3,584.1	3,590.8	3,619.2	3,637.5	3,675.7	3,721.7	3,774.7	3,570.0	3,663.5
Real Disposable income \$1982 Bil.	2,482.7	2,532.2	2,503.1	2,517.1	2,551.7	2,575.0	2,593.6	2,617.5	2,468.4	2,508.8	2,584.5
Housing Permits (000 SAAR)	1,667	1,731	1,762	1,741	1,852	1,800	1,825	1,790	1,682	1,739	1,772
Housing Starts (000 SAAR)	1,761	1,743	1,687	1,773	1,993	1,850	1,875	1,850	1,750	1,742	1,892
New Home Sales (000 SAAR)	668	681	711	696	783	760	750	720	639	686	753
Resales (000 SAAR)	2,970	3,047	3,363	3,500	3,267	3,350	3,400	3,350	2,868	3,216	3,342
Prime Rate %	10.5	10.2	9.5	9.5	9.4	8.6	8.0	8.0	12.0	9.9	8.5
Mortgage Rate % (HUD)	13.0	12.9	12.1	11.8	10.8	10.3	9.9	10.3	13.8	12.5	10.3
Consumer Price Index (1967 = 100)	317.8	321.1	323.0	326.5	327.3	327.2	329.4	331.9	311.1	322.1	329.1
Producer Price Index (1967 = 100)	292.1	293.8	293.1	296.4	292.2	288.7	288.3	289.7	291.2	293.9	289.7
New Housing Affordability 1980 = 100	113.7	112.6	119.3	119.3	129.3	133.9	137.9	134.2	102.2	116.2	133.8

Residential Alterations and Repairs

Current	Total \$ millions SAAR	84,900	70,400	77,500	71,663	74,189	76,424	78,963	81,365	69,784	76,116	77,735
	Maintenance and Repair	37,300	32,400	32,700	31,517	32,528	33,556	34,602	35,664	28,894	33,479	34,088
	Additions and Alterations	29,700	25,600	29,500	26,884	27,745	28,461	29,278	29,929	27,822	27,921	28,853
	Major Replacements	17,900	12,400	14,300	13,261	13,916	14,406	15,083	15,771	13,067	14,465	14,794
Constant	Total Millions \$1977 SAAR	49,739	40,975	44,866	41,610	42,650	43,500	44,500	45,400	41,134	44,298	44,013
	Maintenance and Repair	21,853	18,858	19,179	18,300	18,700	19,100	19,500	19,900	17,029	19,547	19,300
	Additions and Alterations	17,400	14,900	17,300	15,610	15,950	16,200	16,500	16,700	16,406	16,303	16,338
	Major Replacements	10,487	7,217	8,387	7,700	8,000	8,200	8,500	8,800	7,699	8,448	8,375

Retail Trade Activity

Current	Total \$ Millions SAAR	1,337,312	1,369,400	1,399,296	1,388,316	1,402,856	1,427,173	1,470,054	1,502,536	1,293,062	1,373,941	1,450,655
	Total Minus Automobile	1,038,196	1,055,360	1,066,248	1,082,244	1,094,064	1,106,216	1,132,553	1,160,409	1,014,528	1,061,148	1,123,310
	Building Material, Hardware, Garden Supply, Mobile Home	70,444	73,280	74,328	78,024	83,736	83,297	84,349	85,637	69,488	74,062	84,255
	Building Material and Supply	50,976	53,512	53,736	56,976	60,944	61,005	62,165	63,008	49,774	53,841	61,781
	Hardware	10,704	10,912	11,116	11,572	11,428	12,125	12,301	12,480	9,530	11,092	12,084
Constant	Total Millions \$1982 SAAR	1,255,292	1,279,412	1,307,324	1,286,256	1,296,000	1,131,000	1,336,000	1,352,000	1,227,825	1,282,071	1,324,639
	Total Minus Automobile	982,208	993,124	1,003,052	1,007,676	1,010,000	1,024,000	1,038,000	1,053,000	968,351	996,515	1,034,470
	Building Material, Hardware, Garden Supply, Mobile Home	66,686	69,827	70,833	73,628	77,774	76,600	76,800	77,200	67,448	70,244	77,094
	Building Material and Supply	48,256	50,990	51,209	53,765	56,604	56,100	56,600	56,800	48,570	51,055	56,526
	Hardware	10,133	10,398	10,593	10,922	11,100	11,150	11,200	11,250	9,933	10,512	11,054
	Building Materials % of Total Less Automobile (\$Current)	4.91	5.07	5.04	5.26	5.57	5.51	5.49	5.43	4.91	5.07	5.50

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
May 15, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The NHCN Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for NHCN

BUSINESS WATCH

**National reports
4th quarter losses**

By an NHCN staff editor
FOUNTAIN VALLEY, Calif. — National Lumber posted a net loss of \$960,000 on sales of \$34.4 million in its fourth quarter ended Jan. 31. That compared with net profits of \$341,000 on sales of \$31.7 million in the comparable quarter a year earlier.

For the fiscal year, 19-unit National Lumber recorded a loss of \$154,000 on sales of \$135.8 million, compared with the previous year's \$1.34 million net earnings on sales of \$126.5 million.

Melvin Jaffee, National Lumber's president, told NHCN that results for the first quarter of the current fiscal year ended April 30 are expected to be "not good."

He said National Lumber did not publish its monthly catalog in February as "an experiment" and "we got hurt. We learned we cannot live without it." National Lumber's market heated up substantially in 1985 as The Home Depot entered the market for the first time and engaged in a battle for market share with HomeClub and other DIY players.

Jaffee said 28 new warehouses and home centers opened in the geographic areas served by National Lumber stores in fiscal 1985.

"This, combined with lackluster consumer spending at the retail level, had a negative impact on the sales of National Lumber and everyone else in the industry," Jaffee said. "Realistically, we see no change in this competition for customers in 1986."

The poor performance in 1985 in part resulted from costs associated with the opening of four stores—causing \$1.2 million in expenses "which obviously had a significant impact on our bottom-line," Jaffee said.

He said the 1985 advertising budget was increased to \$9 million from \$8 million to support the store expansion effort. National Lumber opened seven new home centers in a 22-month period ended last fall. National Lumber also changed its fiscal year-end from Dec. 31 to Jan. 31.

Jaffee said despite the competition, National Lumber was able to increase its gross margins from 26.3% at the end of 1984 to 29% at 1985 year-end. "It might have cost us some sales—but sales in the right area," Jaffee said.

In another development, National Lumber has been named in a patent infringement lawsuit filed by Zircon International Inc., Campbell, Calif., which said National is selling a Genie stud-sensor product which violates Zircon's stud-sensor patent.

Affluent buyers up building material sales

(Continued from page 12)
projects as a hobby when weak knees force them to leave the mountain slopes.

Wealthier buyers

A wealthier buyer will boost building material sales during 1986 and 1987. The median real income of home buyers rose to \$37,990 in 1985 from \$35,765 in 1979.

Growth in the economy during the past six years has raised wages more than inflation. The gain would have been even more had two business corrections not occurred.

Housing expenses

Housing expenses are becoming a smaller portion of consumer spending, increas-

ing funds for home improvement. In 1985, 33.5% of households spent more than 25% of their income on mortgage, real estate taxes, utilities and insurance. In 1979, the figure was 45.7%.

Home prices have not risen as rapidly as income in many parts of the country. Building material costs have been held in check by imports. High interest rates have limited demand.

The investment incentive in housing is down. Buyers are looking for units that satisfy their needs rather than the most expensive unit possible.

Utility costs are restrained. Energy costs stabilized after the rapid surge in the 1970's. The recent drop in oil prices is

only beginning to be seen in utility bills. Homes are more energy efficient. Public utility commissions are tightening hikes in rates.

Local real estate taxes are not rising as rapidly as in the past. Taxpayers are still rebelling in many parts of the country.

Older homes

The average age of homes purchased is rising. The replacement cycle for major repairs begins during the first ten to fifteen years of a home's life, and the average age of homes purchased rose to 12 years in 1985 from 9.9 years in 1979.

Resales increased 12% in 1985 versus 8% for new, caus-

ing the weighted average age to rise. The boom in housing during the early 1970's was not repeated, and the average age of existing housing stock is up.

The changes in homeowner age and wealth and in the cost and age of housing since 1979 will increase the demand for building materials and supplies. Housing starts and resales will decrease through 1987, but higher spending on remodeling and repairs will increase retail building sales 15% in 1986 and 9% in 1987.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

PERFORMANCE, QUALITY, SAFETY.

UL CLASSIFIED. MEETS ANSI STANDARD.

OREGON Professional Quality Cutting Chain

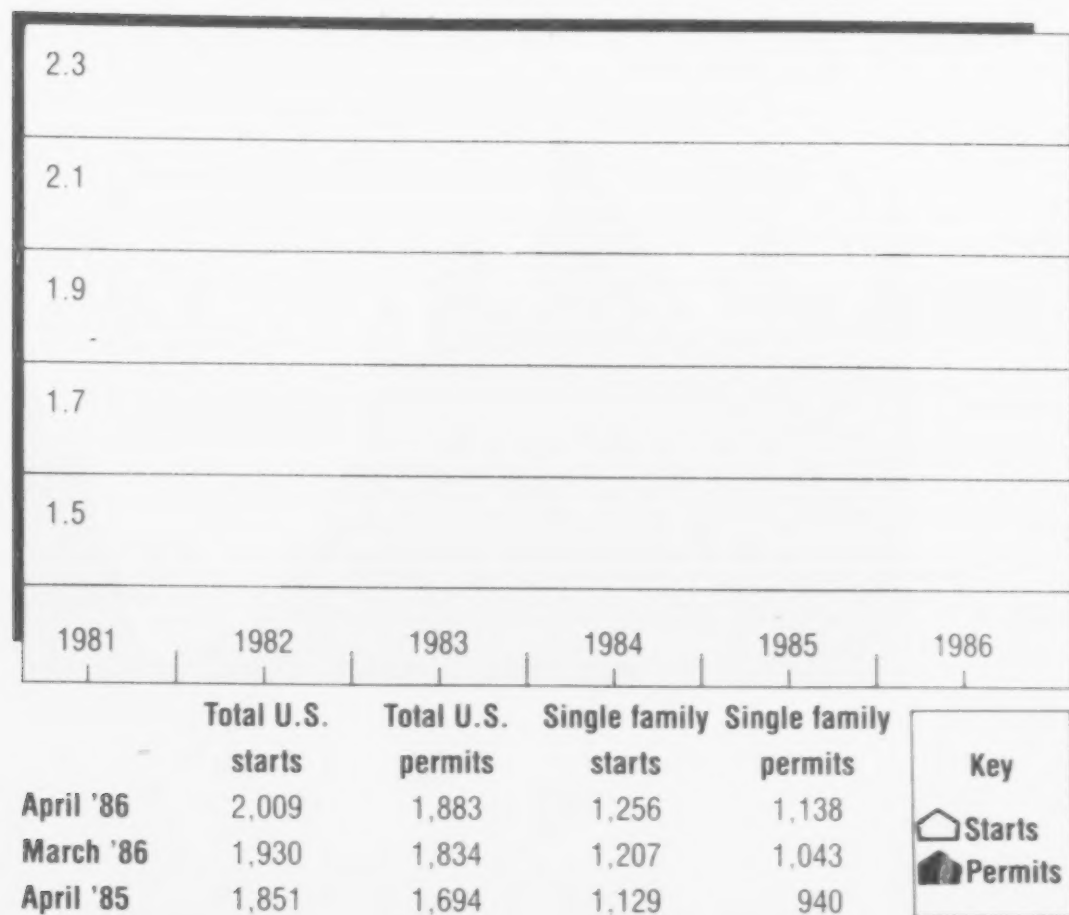
BEST LOW-KICKBACK CHAIN

**10\"/>

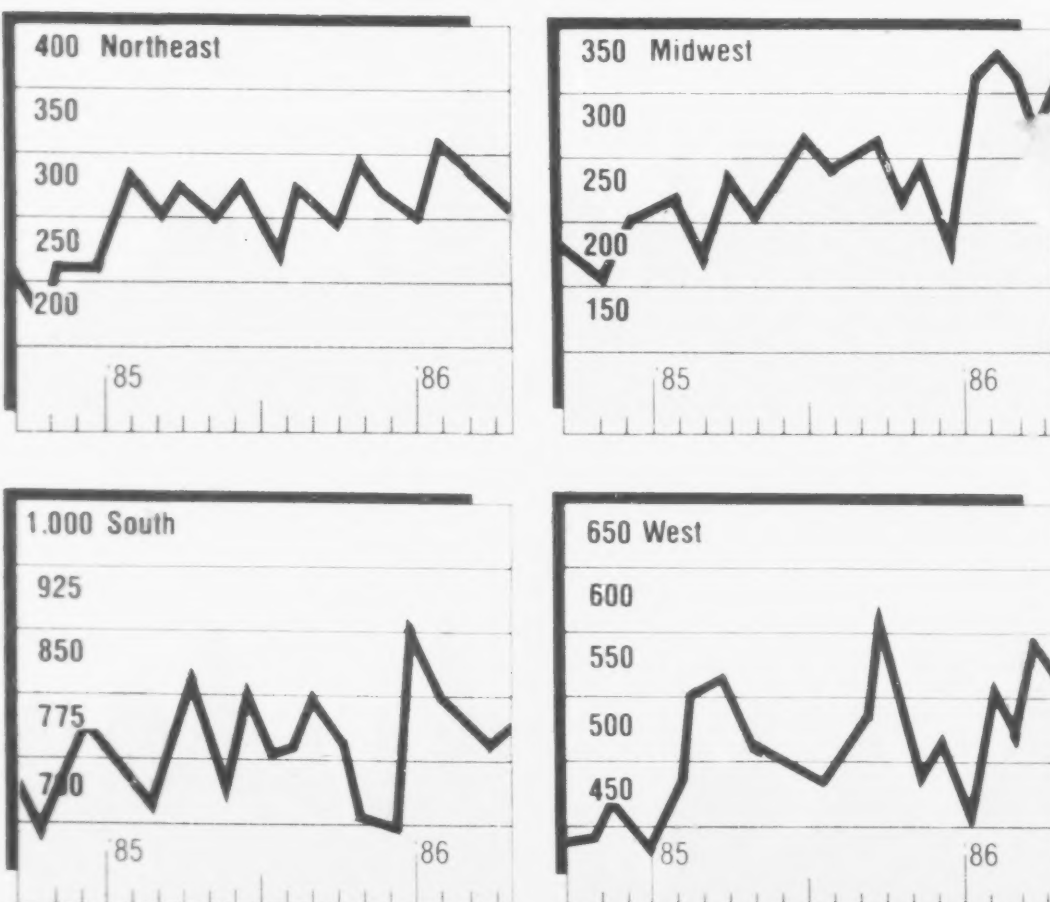
Safety, performance, quality. That's what your customers get with OREGON replacement cutting chain for their chainsaws. OREGON chain is engineered to the highest standards. Its cutting performance on any chainsaw is unsurpassed. And each OREGON chain has cutters or guard links that reduce the likelihood of chainsaw kickback—the unexpected upward and backward movement of a chainsaw. Our chain is designed with a user's safety well in mind. It meets American National Standards Institute standards, and is UL classified. When you sell OREGON you can sell with confidence in its quality. It's the finest quality available. Our chain fits more than 300 chainsaw models. Users in 110 countries on six continents ask for OREGON by choice. We offer regular promotions, cooperative advertising, and high profit. Consumer Group, Oregon Saw Chain Division, Omak Industries, 4909 S.E. International Way, Portland, Oregon 97222. Telephone 503-653-8881.**

HOUSING WATCH

National housing starts and permits
(seasonally adjusted annual rates, in millions)



Regional housing starts and permits
(seasonally adjusted annual rates, in thousands)



April housing starts top 2 mil. unit mark

By an NHCN staff editor

NATIONAL REPORT — Housing starts topped the two million unit mark in April, rising 4%, over March to 2,009 million units, seasonally adjusted, according to the U.S. Commerce Department.

Single-family starts were 1,256 million units, seasonally adjusted, also a 4% increase.

Permit activity rose, too, by 3%, to 1,883 million units, seasonally adjusted, and single-family permits jumped 9%, to 1,138 million units.

Overall, housing starts are up 9% over April 1985, single-family starts, up 11%. Total permits are ahead 11% compared to one year ago, and single-family permits are 21% above the pace in April 1985.

The news was expected, said Gopal Ahluwalia, assistant staff vp-director of research for the National Association of Home Builders. "The market is very strong, there's no question about it," Ahluwalia said.

The NAHB is currently projecting that 1986 will record 1.8 million total starts of which 1.2 million will be in single-family construction. These numbers reflect an increase in earlier projections.

Economists at the Mortgage Bankers Association are

Regional Housing
(in thousands)

	Apr. starts	% chg.	Apr. permits	% chg.
Northeast	329	+1	303	+10
West	520	+3	528	-5
South	802	-5	724	+1
Midwest	358	+6	328	+14

a little more bullish about housing prospects for this year. Lyle Gramley, chief economist, is projecting two million starts this year followed by 1.9 million in 1987.

Both men note that the pending tax revision bill and an upturn in oil prices could alter the housing picture at any time. For now, however, the industry is basking in the sun of declining mortgage rates, now at about 10% for 30-year, fixed-rate loans and 9.5% for government-backed mortgages and 15-year loans.

Housing activity was fairly strong in all four regions. The West, however, did record a 5% decline in housing permits. Activity was still 14% ahead of the April 1985 pace.

Individually, the regions recorded small increases in housing starts, from 1% in the Northeast to 6% in the Midwest. Compared to April 1985, starts went from a minus 4% in the South, to a 47% gain in the Midwest.

Permit activity was the stronger of the two categories in April. Again, the Midwest was the top performer. Activity there was up 14% over March, and 39% ahead of its pace last April.

The South, although recording a 1% increase in permit activity in April, to 724,000 units, seasonally adjusted, was still off its April 1985 pace. Permits here were down 2% compared last April.

HANDY HAS MORE IN STORE FOR YOU

San Francisco

Dallas

Chicago

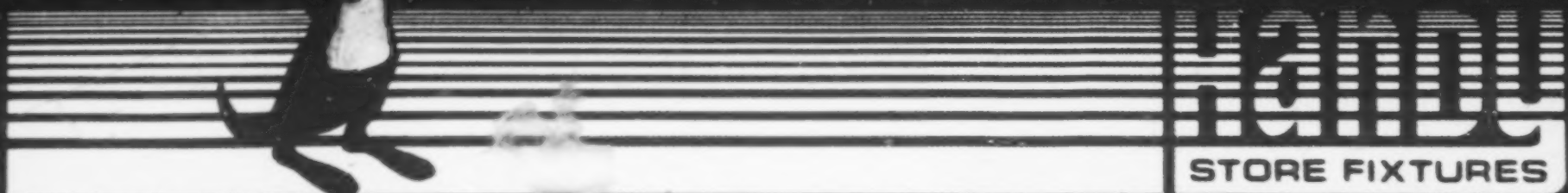
St. Louis

New York

Providing Sturdy, Attractive Gondolas And Accessories Coast-To-Coast Has Made Us Your Best Choice For Store Fixtures

We've been planning, designing and installing store fixtures in major retail, chain and department store, and home center outlets for over 35 years. Our customers have come to know, and prefer, our quality and dependability. Our merchandising experts have gained an industry-wide reputation for working hand-in-hand with store planners across the country to provide fixtures within exacting customer specifications. Find out why Handy has become the nation's strongest supplier of hard-line store fixtures. Call our toll-free number, coast-to-coast, for our latest catalog, accurate pricing information, or assistance in planning your next store.

SERVICE ABOVE AND BEYOND THE CALL OF HEAVY DUTY



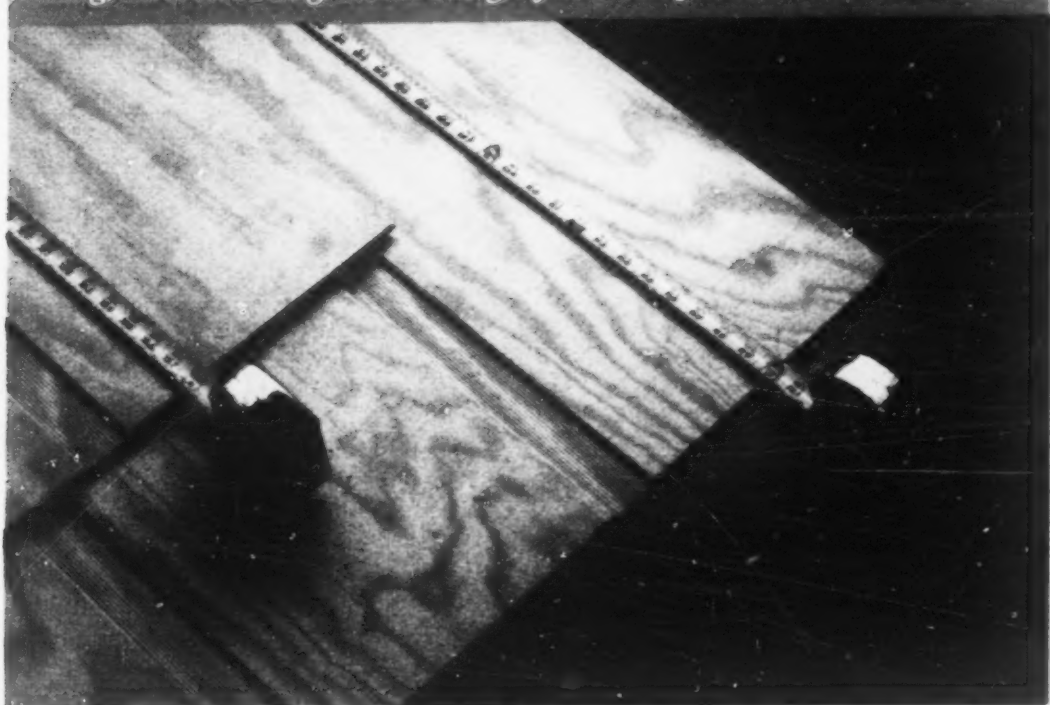
337 SHERMAN AVE. • NEWARK, N.J. 07114 • (201) 242-1600 • (800) 631-4280

SOUTHERN PINE PLYWOOD

9' & 10' Siding

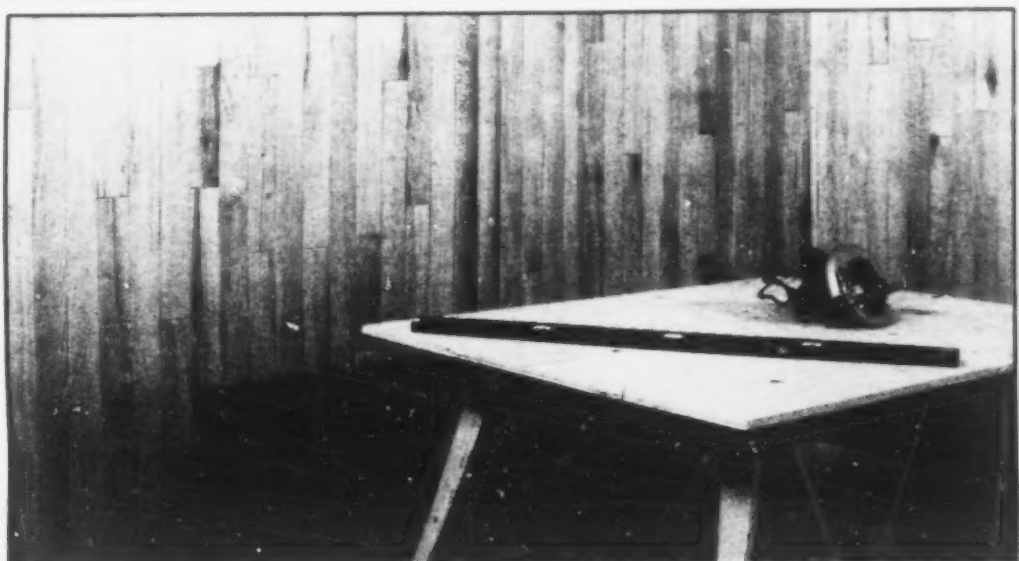


yl Siding, Hardboard Siding, Lumber Siding, Plywood Siding, Textured Hardboard Siding, V



- New from Georgia-Pacific
 - More design flexibility and faster installation for your Builder customers
 - Costs less than fir or cedar plywood siding in most parts of the country
 - Fewer plugs on face than fir siding
- Call your local Georgia-Pacific Distribution Center for more information.

© 1986 Georgia-Pacific Corporation, 133 Peachtree Street, N.E., Atlanta, Georgia 30303



Townsend II Prefinished Plank Paneling

When it's up, it's finished.

Townsend

America's Finest Solid Plank Paneling.

Potlatch Corporation
Wood Products, Southern Division
P.O. Box 916, Stuttgart, Arkansas, 72160
501 673-1606

Potlatch

For more information call: Dick Hedrick or Robert Brymlett (501) 673-1606

Furman's topshelv

CUSTOM-FIT PROFITS!

Try a program that's tailored for your specific shelving needs.

Furman's TOPSHELV[®] can step up your profits with a shelving selection that's modified to best suit your customers.

A variety of colors are available in direct print, vinyl or melamine finish, packaged in bulk, boxed or shrinkwrapped.

For samples or information, call your Furman sales representative —

1-800-THE-WOOD
(843-9663)



TOPSHELV[®] IS A TRADEMARK OF FURMAN LUMBER, INC.

LUMBER REPORT

Forest industry observers react favorably to Senate tax proposal

By Milford Prewitt
NHCN staff editor

NATIONAL REPORT — The Senate Finance Committee's tax bill has given the forest products producers something to smile about, but industry observers warn much could happen to bring their frowns back.

Unlike the House of Representatives' tax proposal that threatened to eliminate some historic deductions forest products producers had relied on, the tax package offered by the Senate finance committee, led by long-time forest products supporter Senator Robert Packwood (R-Ore.), keeps intact some provisions foresters valued.

The bill, H.R. 3838, is substantially different from the sweeping tax overhaul outlined by President Reagan or its incarnation from the House last December, but continues the major theme of making corporations and the wealthy pay more by eliminating tax loopholes and certain deductions.

However, if the provisions that impact on timber and forest products survive Senate debate next month, many observers are optimistic that the industry might emerge relatively unscathed.

"Under the House bill, there was definitely a lack of incentive for managing forest land," said Al Goetzl, director of economics for the National Forest Products Association (NFPA). "Under this bill, we have an entirely different animal and on the surface, it appears that the bill has a lot going for it."

Laurence Wiseman, of the American Forest Council, agrees with Goetzl's assessment.

"The Senate Finance committee's version is a quantum leap better than H.R. 3838," Wiseman said. "The first house bill would have been an unmitigated disaster for this industry."

In its current version, H.R. 3838 draws a line between private timber growers and corporate foresters on the issue of capital gains treatment. For the corporate forest owners, the tax bill would preserve capital gains treatment, but would treat capital gains earnings for individuals as ordinary income, thereby subjecting them to a higher rate.

"History tells us that people are inclined to make risky long-term investments if those investments are taxed somewhat differently than what income is taxed," said Wiseman. "The finance committee does not make that provision so individual capital gains would be taxed at the [proposed] 27% income rate."

"From the perspective of the tree farmer who's got to decide to put his money into trees and wait 30 years with his fingers crossed or put his money into a CD and start clipping coupons, that has to be a little daunting."

Bill Ganser, president of the

Southern Forest Products Association (SFPA), said elimination of capital gains treatment for individual timber growers would be particularly painful to his membership, the majority of whom are small, private landowners.

Sherman Chao, a forest products industry analyst for Salomon Brothers, said he was surprised by the double standard over capital gains.

"The bill is a relief for the large timber companies," Chao said. "It's a relief from the kinds of recommendations that were in the President's and the House's proposal."

"But frankly, I'm quite surprised over capital gains because that's an important issue, especially in the South where you have three-quarters of the timberland owned by individuals."

"So from a corporate view, it relieves a lot of concern investors probably had for the publicly-held timber companies, but for the individuals,

I'm a little concerned."

The capital costs recovery system, an accounting method through which timber growers were able to write off annually certain expenses related to managing a forest, are preserved in the current bill. The House proposed abolishing this provision. Assuming the provision remains after the bill is signed into law, foresters will be allowed to expense such items as fighting forest fires, paying interest on land, maintaining seedlings and preserving roadways to harvesting areas.

But the industry's precious investment tax credit, a 10% upfront deduction on heavy capital investment in plants or mills, is targeted to be eliminated in both the Senate's version and the House's.

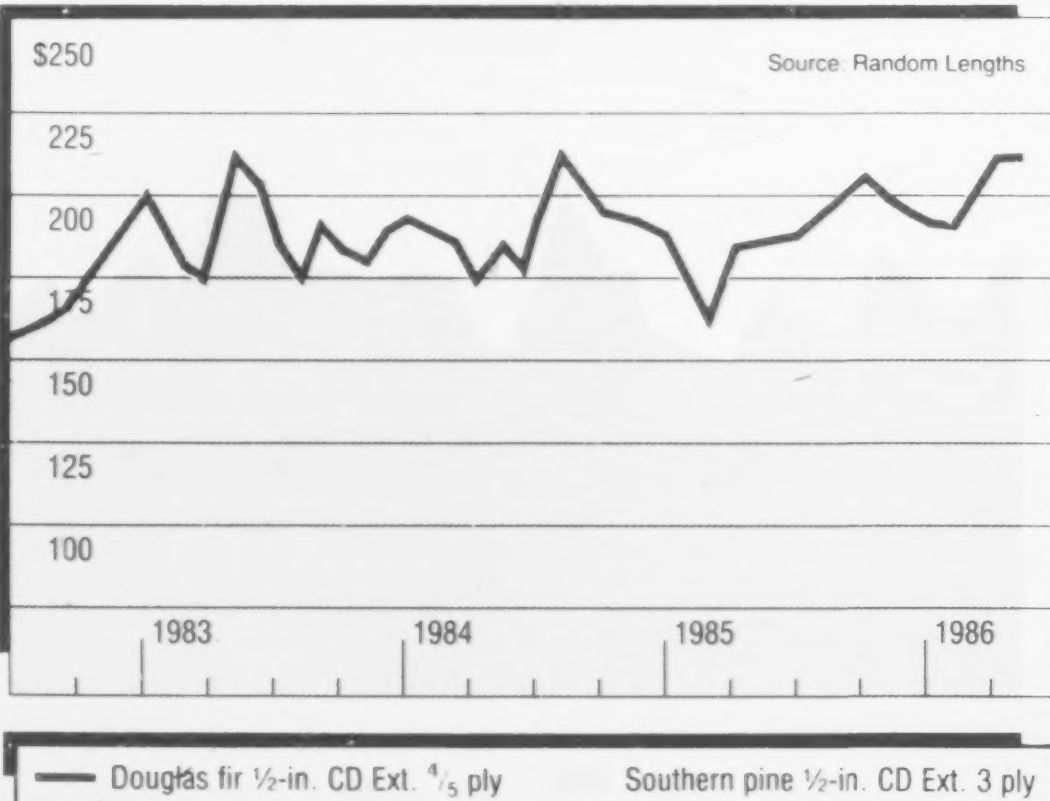
"The loss of the investment tax credit is going to be quite significant," Goetzl said. "In terms of analyzing a return on investment, that 10% upfront

(Continued on page 57)

Commodity close-up

Western and Southern Plywood

Average monthly mill prices
(per thousand board feet)



Heavy first-quarter plywood trading began to level off by April with prices becoming more stabilized. Douglas fir 1/2-in. CD Ext. 4/5 ply held at \$217 per thousand board feet for the second month in a row while southern pine CD Ext. 3 ply rose just \$4 for an April trading average of \$185 per thousand board feet.

Futures

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; \$ per 1,000 bd. ft.
Two weeks ended May 8, 1985

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
May '86	189.50	175.10	187.30	176.20	990	197.00	140.00
July	184.90	173.30	183.50	175.60	5,521	190.90	144.00
Sept.	177.00	168.50	175.90	171.40	1,476	182.40	145.50
Nov.	170.10	162.90	169.10	165.00	1,072	174.50	146.00
Jan. '87	173.00	165.90	117.10	168.00	237	175.00	150.00
March	173.40	167.80	171.90	170.50	173	175.50	153.00
May	172.00	165.00	170.00	167.00	34	173.00	160.00

Total Contract Vol. (Through 5/8): 23,049 Previous Two Weeks: 31,124
Total Open Interest (As of 5/8): 9,503 Previous Week: 9,310
Cash Price: \$185.22 Previous Week: \$183.26 Year Ago: \$151.90

CME—Chicago Mercantile Exchange

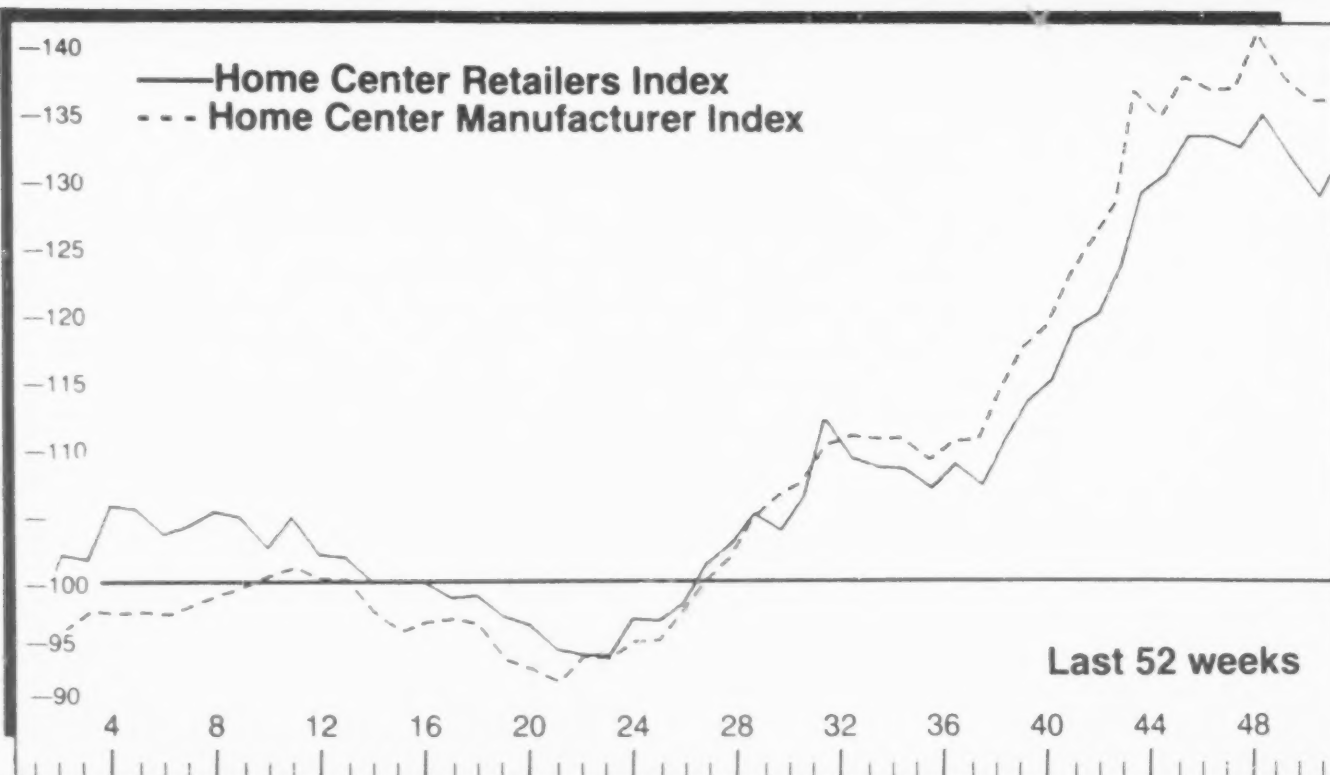
*Figures for Thursday, 5/8.

Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

FINANCIAL NEWS

MOST ACTIVE STOCKS

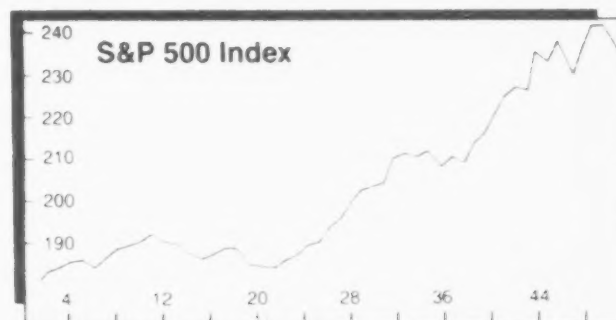
PRICE MOVEMENT



The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the NHCN stock list.

Company & Market	5-15-86	Total 2-Week Volume (100)	Volume Trend Change %	2-Week Price Change %
Nati Lumber	M	1,969	272.3	18.2
Clopay Corp	A	570	265.3	15.4
Nati Hardgoods	M	323	235.9	14.3
DeSoto Inc	N	985	207.5	0
Std Brd Pnt	N	5,834	175.9	5.7
Erb Lumber	M	162	162.3	-4.1
Champ Intl	N	46,375	157.2	-7.7
Emhart Corp	N	10,395	153.4	-2.4
MacMillan Bidel	N	774	150.0	13.4
Wolohan Lumber	M	3,644	138.7	2.7

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.



Company & Market	2-Weeks Ended 4-18-86 \$	2-Week Price Change %	Total 2-Week Volume (100)
Winners			
Nati Lumber	M	6.50	18.2
Clopay Corp	A	19.63	15.4
Nati Hardgoods	M	8.00	14.3
MacMillan Bidel	N	26.50	13.4
K mart Cp	N	50.00	9.3
Grace W R	N	57.75	7.4
Pope & Talbot	N	20.13	6.6
Zayre Corp	N	77.00	6.0
Certain-Feed	N	36.50	5.8
Std Brd Pnt	N	23.00	5.7
Losers			
Marville Cp	N	3.00	-7.7
Champ Intl	N	24.13	-7.7
Allegheny Int	N	21.75	-7.4
Weyerhaeuser	N	33.75	-6.9
SW Forest Ind	N	12.00	-5.9
Mich General	A	4.13	-5.7
Owens Corning	N	49.38	-5.5
Georgia-Pacific	N	28.38	-5.4
Am Standard	N	39.88	-4.5
Lewis Palmer	M	8.75	-4.1

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market										Financial Update																								
	Price								Volume				P/E	Indicated		Latest Report			Latest Quarter						Year-to-Date										
	2-Weeks		2-Weeks		2-Week		52-Week		2-Weeks		12-Week			Trend	Divd. Rate	New	Period	Date	Revenue		Net Income		E.P.S.		Revenue		Net Income		E.P.S.						
	Ended	Change							Shares	%	Traded	Avg. Vol.							As %	Out	Report	Period	Ended	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.
	5-16-86	Amt.	Pct.	High	Low	High	Low	Total	%	%	%	%							Ratio	Amt.	Yld.														
-	\$	%	\$	\$	\$	\$	(100)	%	%	%	%	-	\$	%	-	-	-	\$Mil	%	\$Mil	%	\$	%	\$Mil	%	\$Mil	%	\$	%						
Retailers																																			
Color Tile	M	23.00	.38	1.7	23.25	22.25	23.50	16.38	4,973	5.27	3.13	68.4	15.3	.00	.0	.....	9 mos.	03-86	97.9	7.9	3.4	9.7	.36	9.1	280.1	12.3	10.0	7.5	1.06	5.0					
Erb Lumber	M	59.00	-2.50	-4.1	64.00	57.00	66.50	20.75	162	1.81	.69	162.3	8.6	.00	.0	.....	fiscal	12-85	47.9	33.8	1.8	125.0	2.01	105.1	190.2	29.0	6.1	110.3	6.88	110.4					
Forest City Ent	A	30.25	.63	2.1	31.25	29.88	31.25	21.25	131	.32	.34	-5.9	32.2	.30	1.0	.....	fiscal	01-86	81.0	7.6	3.8	322.2	49	444.4	281.0	6.2	7.4	89.7	.94	91.8					
Grace W R	N	57.75	4.00	7.4	60.75	54.00	60.75	35.50	35,965	6.61	3.36	96.7	28.6	2.80	4.8	.....	3 mos.	03-86	1250.5	-20.9	(3.1)	-100.0	(.08)	-100.0	1250.5	-20.9	(3.1)	-100.0	(.08)	-100.0					
Handyman	A	30.25	.75	2.5	30.50	29.00	30.50	21.75	229	.89	.75	18.7	NA	.20	.7	.....	12-85	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					
Hechinger A	M	25.75	-.75	-2.8	26.75	25.75	27.00	16.00	6,662	7.62	3.39	124.8	NA	.16	.6	.....	00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					
Hechinger B	M	26.00	-.50	-1.9	26.75	26.00	27.00	16.00	275	.11	.34	-67.6	26.8	.08	.3	NEW	fiscal	01-86	116.8	14.1	6.6	8.2	.27	.0	479.0	18.2	23.1	10.5	.97	5.4					
Homecrafters Whse	M	1.00	.00	.0	1.25	1.00	.875	1.00	971	3.43	2.14	60.3	NE	.00	.0	.....	9 mos.	10-85	45.4	9.9	(10.2)	NE	(3.62)	NE	143.0	18.0	(13.5)	NE	(4.80)	NE					
Home Depot	N	17.00	.50	3.0	17.50	16.38	20.38	10.50	14,583	5.81	2.67	117.6	51.5	.00	.0	.....	fiscal	01-86	203.7	73.5	2.6	-27.8	.11	-21.4	700.7	61.9	8.2	-41.8	.33	-41.1					
INTERCO Inc	N	80.38	1.38	1.7	83.00	78.50	83.00	62.75	4,131	2.90	1.31	121.4	13.8	3.08	3.8	.....	fiscal	02-86	583.0	.4	30.9	NC	1.95	54.8	2510.7	-4.4	92.3	27.8	5.84	31.2					
K mart Cp	N	50.00	4.25	9.3	51.13	45.50	51.13	30.63	102,512	8.15	3.68	121.5	28.9	1.48	3.0	.....	fiscal	01-86	6752.2	-1.8	10.5	-94.9	.09	-94.3	22420.0	6.3	221.2	-55.7	1.73	-54.9					
Lowe's Cos	N	37.13	.63	1.7	39.50	35.88	41.38	20.75	6,110	1.65	1.88	-12.2	22.6	.40	1.1	.....	fiscal	01-86	475.6	26.5	11.3	7.6	.31	6.9	2072.6	22.7	59.7	-2.8	1.64	-3.5					
Mich General	A	4.13	-.25	-5.7	4.50	4.13	6.38	3.25	1,118	.99	.79	25.3	NE	.00	.0	.....	fiscal	12-85	103.6	-1.4	(11.4)	-100.0	(1.01)	-100.0	439.0	-2.3	(34.6)	-100.0	(3.06)	-100.0					
Nati Hardgoods	M	8.00	1.00	14.3	8.25	7.50	9.00	5.50	323	2.62	.78	235.9	20.0	.00	.0	.....	fiscal	01-86	9.0	-7.2	.1	-66.7	.08	-68.0	33.5	3.4	.5	-28.6	.40	-33.3					
Nati Lumber	M	6.50	1.00	18.2	6.50	5.75	7.25	4.00	1,969	3.50	.94	272.3	NE	.00	.0	.....	*	01-86	NC	NC	NC	NC	NC	NC	136.4	NC	(.2)	NC	(.03)	NC					
Pay N Pak	N	16.38	.88	5.6	16.88	15.38	17.00	11.63	2,707	2.71	1.70	59.4	20.0	.64	3.9	.....	fiscal	02-86	74.6	21.3	1.3	8.3	.13	8.3	333.8	9.4	8.2	-18.8	.82	-18.8					
Payless Cash	N	24.63	.63	2.6	25.13	23.38	27.50	13.50	10,085	2.91	2.97	-2.0	21.6	.16	.6	.....	3 mos.	02-86	274.5	7.7	2.4	50.0	.07	40.0	274.5	7.7	2.4	50.0	.07	40.0					
Scotty's Inc	N	16.88	.25	1.5	17.00	16.13	17.63	12.38	1,497	1.04	.97	7.2	15.9	.52	3.1	.....	9 mos.	03-86	128.4	5.5	4.1	-18.0	.28	-26.3	359.3	7.9	9.7	-19.2	.67	-25.6					
Sears, Roebuck	N	43.50	.38	.9	46.13	43.25	50.38	31.75	76,708	2.11	1.19	77.3	12.6	1.76	4.0	.....	3 mos.	03-86	9390.3	7.1	195.3	-12.5	.52	-13.3	9390.3	7.1	195.3	-12.5	.52	-13.3					
Svc Merchandise	M	11.50	.13	1.1	12.00	10.88	16.13	10.88	15,780	4.74	3.86	22.8	NE	.08	.7	.....	3 mos.	03-86	457.1	31.7	(29.2)	NE	(.88)	NE	457.1	31.7	(29.2)	NE	(.88)	NE					
Std Brd Pnt	N	23.00	1.25	5.7	23.63	21.13	24.75	18.75	5,834	5.16	1.87	175.9	16.4	.58	2.5	.....	fiscal	01-86	71.6	1.3	1.6	-64.4	.14	-65.0	338.0	7.3	15.8	-24.0	1.40	-25.1					
Supermks Gen	N	57.50	2.88	5.3	58.38	54.63	59.38	39.88	3,525	1.96	1.38	42.0	16.2	.48	.8	.....	fiscal	01-86	1356.3	1.5	21.6	-2.3	1.21	-3.2	5122.6	17.9	63.7	21.6	3.56	20.7					
Wickes Cos	A	5.88	.25	4.4	6.25	5.50	7.00	3.56	95,352	9.70	8.13	19.3	NA	.00	.0	.....	01-86	NC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					
Wolohan Lumber	M	9.50	.25	2.7	9.88	8.50	9.88	5.25	3,644	6.23	2.61	138.7	14.8	.16	1.7	NEW	3 mos.	03-86	28.1	21.6	(.1)	NE	(.02)	NE	28.1	21.6	(.1)	NE	(.02)	NE					
Zayre Corp	N	77.00	4.38	6.0	77.38	70.00	80.00	47.75	7,849	2.64	1.93	36.8	23.6	.64	.8	NEW	3 mos.	04-86	1044.5	32.2	16.7	9.9	.56	5.7	1044.5	32.2	16.7	9.9	.56	5.7					
Wholesalers																																			
Lewis Palmer	M	8.75	-.38	-4.1	9.25	8.63	9.88	6.38	786	2.01	1.62	24.1	38.0	.28b	3.2	.....	fiscal	01-86	30.4	-1.0	.1	NE	.01	NE	140.8	-2.5	.9	-18.2	.23	-23.3					
Manufacturers																																			
Allegheny Int	N	21.75	-1.75	-7.4	23.63	21.75	28.75	16.50	2,793	2.60	3.60	-27.8	NE	.00	.0	.....	3 mos.	03-86	467.2	-7.3	11.9	133.3	.41	NE	467.2	-7.3	11.9	133.3	.41	NE					
Am Standard	N	39.88	-1.88	-4.5	42.25	38.88	46.88	27.00	9,923	2.52	1.42	77.5	10.3	1.60	4.0	NEW	3 mos.	03-86	715.0	6.8	50.2	147.3	1.30	150.0	715.0	6.8	50.2	147.3	1.30	150.0					
Armstrng Wrid	N	62.38	-.13	-.2	66.00	61.50	66.50	31.88	6,085	2.54	1.97	28.9	14.2	1.44	2.3	.....	3 mos.	03-86	430.9	14.4	22.9	27.9	.95	26.7	430.9	14.4	22.9	27.9	.95	26.7					
Black & Decker	N	21.25	.63	3.0	23.88	20.50	25.25	17.25	57,935	10.02	4.49	123.2	43.4	.64	3.0	.....	6 mos.	03-86	415.1	3.0	1.6	-89.2	.02	-93.1	936.8	3.4	22.5	-48.6	.43	-50.0					
Boise Cascade	N	53.50	-1.75	-3.2	55.88	53.25	59.88	39.63	5,676	2.10	2.23	-5.8	16.9	1.90	3.6	.....	3 mos.	03-86	916.6	-4.3	25.0	-24.9	.83	-25.9	916.6	-4.3	25.0	-24.9	.83	-25.9					
Certain-teed	N	36.50	2.00	5.8	37.88	33.25	37.88	22.38	3,607	1.90	1.67	13.8	12.7	.90	2.5	.....	3 mos.	03-86	255.0	.8	10.5	28.0	.56	36.6	255.0	.8	10.5	28.0	.56	36.6					
Champ Intl	N	24.13	-2.00	-7.7	27.63	24.00	29.75	20.25	46,375	4.99	1.94	157.2	17.7	.52	2.2	.....	3 mos.	03-86	1122.3	-31.8	22.0	-49.8	.20	-53.5	1122.3	-31.8	22.0	-49.8	.20	-53.5					
Clopay Corp	A	19.63	2.63	15.4	20.25	17.25	22.00	11.25	570	3.69	1.01	265.3	NE	.16	.8	NEW	3 mos.	03-86	32.4	11.0	.4	NE	.25	NE	32.4	11.0	.4	NE	.25	NE					
DeSoto Inc	N	39.88	.00	.0	40.13	39.50	41.00	31.50	985	2.06	.67	207.5	12.0	1.40	3.5	.....	3 mos.	03-86	96.8	.4	2.4	200.0	.51	200.0	96.8	.4	2.4	200.0	.51	200.0					
Emhart Corp	N	36.00	-.88	-2.4	37.50	36.00	42.63	26.38	10,395	3.75	1.48	153.4	11.8	1.40	3.9	.....	3 mos.	03-86	509.6	21.4	18.0	27.7	.65	27.5	509.6	21.4	18.0	27.7	.65	27.5					
Georgia-Pacific	N	28.38	-1.63	-5.4	30.75	28.00	33.75	20.63	18,914	1.83	1.71	7.0	20.9	.80	2.8	.....	3 mos.	03-86	1604.0	1.5	30.0	-38.8	.25	-41.9	1604.0	1.5	30.0	-38.8	.25	-41.9					
Insilco Corp	N	22.38	-.63	-2.7	23.88	22.00	24.50	16.63	6,293	3.20	1.46	119.2	16.2	1.00b	4.5	.....	3 mos.	03-86	180.3	-8.6	6.8	13.3	.34	3.0	180.3	-8.6	6.8	13.3	.34	3.0					
La Pacific	N	24.88	-.50	-2.0	26.88	24.75	30.13	17.13	8,252	2.26	1.66	36.1	36.1	.80b	3.2	.....	3 mos.	03-86	322.6	19.0	1.4	-41.7	.04	-42.9	322.6	19.0	1.4	-41.7	.04	-42.9					
MacMilln Bidel	N	26.50	3.13	13.4	26.50	23.25	26.50	12.47	774	.25	.10	150.0	19.8	.25b	.9	NEW	3 mos.	03-86	613.2	13.9	29.2	1023.1	.68	NE	613.2	13.9	29.2	1023.1	.68	NE					
Manville Cp	N	3.00	-.25	-7.7	3.75	2.88	8.88	2.50	17,341	7.23	8.41	-14.0	NE	.00	.0	.....	3 mos.	03-86	455.5	5.1	12.0	-1.6	.24	-4.0	455.5	5.1	12.0	-1.6	.24	-4.0					
Masco Corp	N	53.63	-.50	-.9	56.50	53.00	60.50	30.50	8,469	1.32	1.02	29.4	20.2	.64	1.2	.....	3 mos.	03-86	308.0	34.5	45.1	27.0	.70	14.8	308.0	34.5	45.1	27.0	.70	14.8					
Mor-Flo Inds	M	16.00	.00	.0	16.50	16.00	19.75	14.50	80	.32	.62	-48.4	12.5	.01	.1	NEW	3 mos.	03-86	52.4	.0	.7	-58.8	.28	-56.9	52.4	.0	.7	-58.8	.28	-56.9					
Newell Co	N	33.00	1.38	4.3	33.00	31.63	33.13	15.13	1,785	1.79	1.70	5.3	15.1	.70	2.1	.....	3 mos.	03-86	94.5	18.9	4.1	28.1													